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Analysis of Job Stress and Organizational Commitment on Employee Performance with Work Engagement as an Intervening Variable at PT Permodalan Nasional Madani

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Abstract

This study aims to analyze the effects of work stress and organizational commitment on employee performance, with work engagement as an intervening variable at PT Permodalan Nasional Madani (PNM), Eastern Indonesia Regional. The study employed a quantitative approach, with employees of PNM's Mekaar Units in the Eastern Indonesia region serving as the unit of analysis, and data were collected through questionnaires. The data were analyzed using the Structural Equation Modeling–Partial Least Squares (SEM-PLS) method to examine both the direct and indirect effects among the variables. The results showed that work stress has a negative and significant effect on work engagement. Furthermore, work engagement was found to be an important mechanism in explaining the effect of work stress on employee performance. The study also demonstrated that organizational commitment contributes to increased work engagement, which subsequently contributes to improved employee performance. Work engagement was found to mediate the effect of organizational commitment on employee performance. These findings imply that PNM needs to strengthen work stress management, enhance organizational support, foster employee commitment, and create a work environment that can maintain work engagement, thereby improving employee performance sustainably

Keywords: Work Stress; Organizational Commitment; Work Engagement; Employee Performance; PT Permodalan Nasional Madani (PNM).

INTRODUCTION

Significant structural changes, such as the formation of state-owned enterprise (SOE) holdings, pose major challenges for companies in managing employees and maintaining optimal performance. PT Permodalan Nasional Madani (PNM), as one of Indonesia's state-owned enterprises that is now part of the SOE holding under Bank

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Rakyat Indonesia (BRI), has experienced the impacts of these changes, which affect not only its organizational structure but also contribute to high levels of work-related stress among employees. The holding process often creates uncertainty, confusion regarding changes in roles and responsibilities, and increased workloads, which in turn may affect employee performance.

However, despite PNM's rapid growth, the increase in the number of customers and assets has placed a greater workload on employees. As a result, work-related stress has become an issue that requires attention. High levels of *work engagement* can help mitigate the negative effects of work-related stress. Employees with high levels of engagement in their work tend to be more productive and better able to manage work-related pressure (Abdelwahed & Doghan, 2023). Employees with high levels of *work engagement* demonstrate enthusiasm, dedication, and full involvement in their work, enabling them to complete tasks more effectively, productively, and with higher quality (Jufrizen et al., 2024).

Furthermore, organizational commitment also plays an important role in maintaining employee performance. Employees who have a high level of commitment to the organization tend to be more responsible, loyal, and willing to make greater efforts to deliver their best performance in achieving organizational goals. Therefore, the higher the level of employee commitment, the better the performance produced (Putri & Lista, 2022). In addition, employees with a high level of organizational commitment tend to have stronger emotional attachment, greater dedication, and more active involvement in their work. Therefore, the higher the level of organizational commitment, the higher the level of employee work engagement (Al-Dossary, 2022)

Work-related stress can trigger employees' intention to leave the company (turnover intention), with higher levels of work-related stress being associated with a greater tendency for employees to leave the organization (Salama et al., 2022). In addition, low levels of work engagement and organizational commitment can further strengthen employees' intention to leave, as employees may feel less emotionally attached to and less loyal to the company (Febrian et al., 2024). Therefore, examining work-related stress and organizational commitment is important for maintaining work engagement and optimizing employee performance.

Although numerous studies have examined work-related stress, organizational commitment, and work engagement across various sectors, particularly in banking, financial institutions, and similar businesses, there remains a gap in the literature regarding the relationships among these three variables within the context of SOE holding formation, particularly at PT Permodalan Nasional Madani (PNM).

Previous studies have largely been conducted in the private sector, including hotels, service companies, manufacturing industries, IT companies, and government

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institutions. To date, very few studies have examined work-related stress, organizational commitment, *work engagement*, and employee performance in government-owned microfinance companies such as PT Permodalan Nasional Madani (PNM). The characteristics of PNM employees are distinctive, as their roles combine administrative responsibilities with fieldwork that requires high mobility, financing distribution targets, and intensive interaction with micro-entrepreneurs. These differences in employee characteristics may result in different patterns of relationships among the variables compared with those identified in previous studies

Objectives

This article intends

1. To analyze the effect of work-related stress on employee performance
2. To analyze the effect of organizational commitment on employee performance
3. To analyze the effect of work stress on work engagement
4. To analyze the effect of organizational commitment on work engagement
5. To analyze the effect of work engagement on employee performance
6. To analyze the effect of work stress on employee performance through work engagement
7. To analyze the effect of organizational commitment on employee performance through work engagement

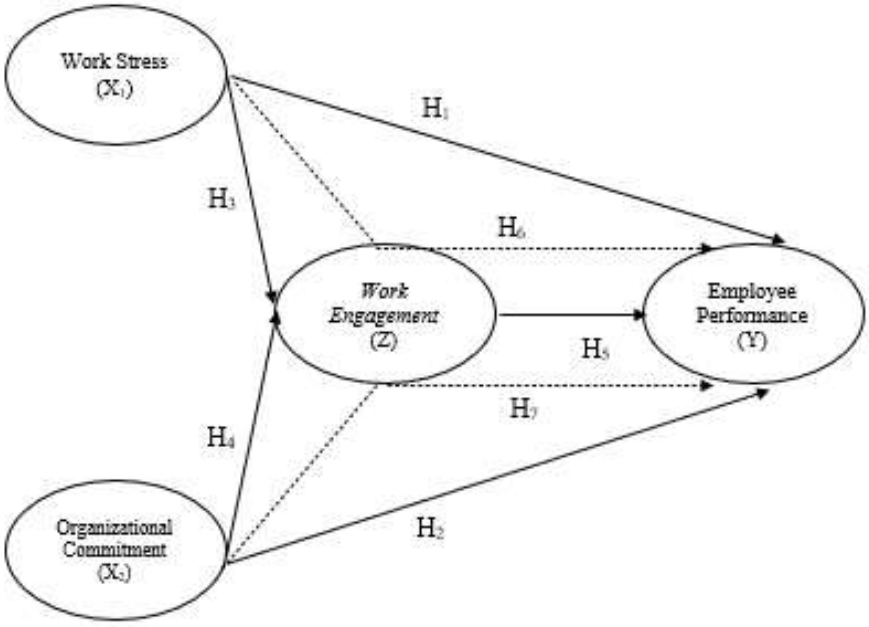


Figure 1: Reseaerch Framework

Work stress is a condition in which individuals experience psychological or physical pressure because job demands exceed their available capacity or resources.

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High levels of work stress can negatively affect employees' motivation, concentration, energy, and ability to perform their duties effectively, thereby reducing productivity and overall performance. In addition, prolonged work stress may contribute to physical and mental exhaustion, which can reduce employees' ability to remain enthusiastic and engaged in their work. Therefore, work stress is expected to have a negative effect on both employee performance and work engagement. In contrast, organizational commitment represents employees' emotional attachment, loyalty, sense of belonging, and responsibility toward the organization. Employees with strong organizational commitment are more likely to demonstrate greater responsibility, productivity, dedication, and willingness to contribute to organizational goals. Organizational commitment can also encourage employees to become more enthusiastic, energetic, and focused in performing their work, thereby increasing their level of work engagement. Thus, work stress is expected to negatively affect work engagement and employee performance, whereas organizational commitment is expected to positively affect both work engagement and employee performance.

Employees with high work engagement tend to invest greater effort in completing their tasks, demonstrate stronger commitment to their responsibilities, and produce higher-quality and more productive work. Therefore, work engagement is expected to have a positive effect on employee performance. Furthermore, work engagement can function as a mediating mechanism that explains how work stress and organizational commitment influence employee performance. When work stress increases, employees may experience exhaustion and reduced psychological resources, which subsequently decreases their energy, dedication, and concentration at work. The decline in work engagement can then lead to lower employee performance. Conversely, strong organizational commitment can foster employees' sense of belonging, loyalty, and responsibility, encouraging greater enthusiasm and dedication toward their work. Increased organizational commitment can therefore strengthen work engagement, which subsequently contributes to improved employee performance. In this context, work engagement serves as an important psychological pathway through which work stress and organizational commitment influence employee performance

According to Sugiyono (2019), quantitative research was chosen because its approach emphasizes numerical measurement and statistical analysis to test hypotheses or examine relationships among variables. Data are systematically collected using standardized instruments such as questionnaires, tests, or surveys, allowing the research findings to be objective and generalizable.

In this study, the unit of analysis consists of employees of the Mekaar Unit at PT Permodalan Nasional Madani (PNM) in the Eastern Indonesia region. This unit of analysis was selected based on the consideration that employees are the primary

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subjects who experience the effects of work stress, work engagement, and organizational commitment, with their performance serving as an outcome of the interactions among these variables.

The population in this study consists of 300 employees of PT Permodalan Nasional Madani (PNM) in the Eastern Indonesia Regional Area. The sampling method used in this study is purposive sampling, in which respondents are selected based on predetermined criteria. The criteria include employees who hold permanent employment status and are at least 18 years old. The sample size was determined using the Slovin formula with a margin of error of 5% (0.05), considering that the total population is known, namely 300 employees. Based on the calculation, the required sample size was 171.43 respondents. Since the sample size must be expressed as a whole number, the result was rounded up to 172 respondents

Data analysis was conducted using the Partial Least Squares (PLS) method with SmartPLS version 4 software. PLS is one of the methods used to perform Structural Equation Modeling (SEM) and offers greater flexibility compared with other SEM techniques. SEM provides a high degree of flexibility in research that examines the relationship between theory and data and is capable of conducting path analysis involving latent variables. Therefore, it is widely used by researchers in the social sciences (Ghozali & Latan, 2020).

DISCUSSION

The purpose of this study is to analyze the effect of work stress and organizational commitment on employee performance, mediated by work engagement, among employees of PT Permodalan Nasional Madani (PNM) in the Eastern Indonesia Regional Area. Data collection was conducted using a research questionnaire distributed to 172 respondents. Following the distribution process, it was found that all 172 questionnaires distributed to the research respondents were successfully returned, with no reduction in the number of questionnaires collected.

The characteristics of respondents in this study are described based on gender, age, educational background, branch, position, and length of service. Based on gender, the majority of respondents were female, comprising 155 respondents (90%), while male respondents accounted for 17 respondents (10%). This indicates that the employee composition of PT Permodalan Nasional Madani (PNM) in the Eastern Indonesia Regional Area is predominantly female. This composition is consistent with the operational characteristics of the company, particularly the Mekaar financing service, which involves a significant number of female field officers in assisting and serving customers.

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Based on age, most respondents were between 18 and 30 years old, comprising 111 respondents (64.5%), followed by those aged 31–40 years, with 61 respondents (35.5%). There were no respondents over 40 years of age. These findings indicate that the majority of respondents are within the productive age group, which generally supports their ability and mobility in carrying out the company's operational tasks. In terms of educational background, the majority of respondents had completed senior high school or vocational high school (SMU/SMK), totaling 132 respondents (76.7%). This was followed by respondents with a Diploma 1 or Diploma 3 (D1/D3) education, totaling 23 respondents (13.3%), and respondents with a Bachelor's degree (S1), totaling 17 respondents (10%). No respondents held a Master's degree (S2). These findings indicate that most employees in the study have a secondary-level educational background, which is in accordance with the educational composition of employees involved in the company's operational activities.

Based on their branch of assignment, the respondents came from various branches of PT Permodalan Nasional Madani in the Eastern Indonesia Regional Area. Makassar contributed the largest number of respondents, with 39 respondents (22.7%), followed by Manado with 31 respondents (18.0%), Balikpapan with 28 respondents (16.3%), Samarinda with 26 respondents (15.1%), Kendari with 25 respondents (14.5%), and Ambon with 23 respondents (13.4%). This distribution indicates that the respondents represent various operational areas of the company across the Eastern Indonesia region, thereby providing broader representation of the research population. In terms of position, the majority of respondents were Account Officers (AO), totaling 82 respondents (47.7%). This was followed by Field Account Officers (FAO), with 41 respondents (23.8%), Senior Account Officers (SAO), with 29 respondents (16.9%), and Kepala Unit Mekaar (KUM), with 20 respondents (11.6%). This composition indicates that most respondents hold positions that are directly involved in the company's operational activities and customer service, particularly in the implementation of Mekaar financing services.

Based on length of service, the majority of respondents had worked for 1–5 years, totaling 81 respondents (47.1%). This was followed by respondents with 6–10 years of service, totaling 45 respondents (26.2%), those with a length of service of one year or less, totaling 24 respondents (14.0%), and those who had worked for more than 10 years, totaling 22 respondents (12.8%). These findings indicate that most respondents have sufficient work experience in carrying out their duties and responsibilities at PT Permodalan Nasional Madani. Therefore, they are expected to have adequate understanding and experience to provide objective assessments of the variables examined in this study.

Convergent validity testing of the measurement model with reflective indicators is assessed based on the correlation between the *item score* or *component score* and the

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construct score calculated using PLS. An individual indicator is considered valid if it has a correlation value above 0.70. However, in research at the scale development stage, a *loading factor* ranging from 0.50 to 0.60 is still considered acceptable

Table 1. *Convergent Validity*

Variable	Item	Outer Loading	Result
Employee Performance	KK1	0,862	Valid
	KK2	0,896	Valid
	KK3	0,895	Valid
	KK4	0,898	Valid
	KK5	0,910	Valid
	KK6	0,884	Valid
	KK7	0,744	Valid
	KK8	0,900	Valid
Work Engagement	WE1	0,906	Valid
	WE2	0,894	Valid
	WE3	0,863	Valid
	WE4	0,878	Valid
	WE5	0,874	Valid
	WE6	0,830	Valid
	WE7	0,877	Valid
Work Stress	SK1	0,915	Valid
	SK2	0,843	Valid
	SK3	0,882	Valid
	SK4	0,784	Valid
	SK5	0,863	Valid
	SK6	0,872	Valid
Organizational Commitment	KO1	0,800	Valid
	KO2	0,892	Valid
	KO3	0,903	Valid
	KO4	0,910	Valid
	KO5	0,895	Valid
	KO6	0,889	Valid
	KO7	0,922	Valid

It can be seen that all indicators for each variable have values greater than 0.70, indicating a high level of validity and satisfying the requirements for convergent validity.

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Table 2. R-Square

Construct	R Square	R Square Adjusted
Work Engagement	0,825	0,824
Employee Performance	0,864	0,864

The results of the R-Square (R^2) test show that the Work Engagement variable has an R^2 value of 0.825 and an Adjusted R^2 value of 0.824. These results indicate that Work Stress and Organizational Commitment jointly explain 82.5% of the variance in Work Engagement, while the remaining 17.5% is explained by other variables outside the research model. This value indicates that the structural model has very strong explanatory power in explaining the variance in Work Engagement.

Furthermore, the Employee Performance variable has an R^2 value of 0.864 and an Adjusted R^2 value of 0.864. This indicates that Work Stress, Organizational Commitment, and Work Engagement explain 86.4% of the variance in Employee Performance, while the remaining 13.6% is influenced by other factors not included in the research model. These findings indicate that the combination of the three variables has very strong explanatory power in accounting for changes in employee performance

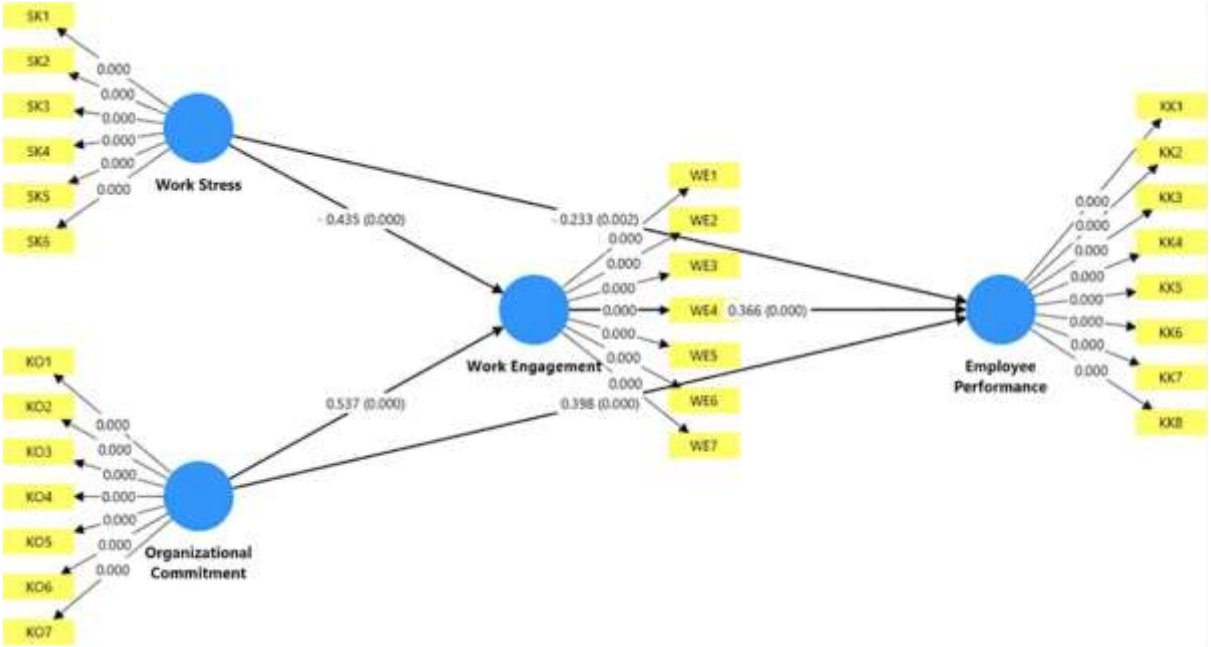


Figure 2. Hypothesis Test

The researcher aims to determine whether there is a positive or negative and significant or insignificant effect based on P-Values that must be below 0.05 and t-statistics that must be greater than or equal to 1.96

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Table 3. Results of the Significance Test of Effects Between Variables

Path	Original Sample	T-Statistic (|O/STDEV|)	P-Values
SK → KK	-0,233	-3,043	0,002
KO → KK	0,398	5,347	0,000
SK → WE	-0,435	-4,139	0,000
KO → WE	0,537	4,987	0,000
WE → KK	0,366	5,083	0,000
SK → WE → KK	-0,159	-3,285	0,001
KO → WE → KK	0,197	3,340	0,001

The research results indicate that work stress has a negative and significant effect on employee performance. This is proven by the t-statistic value of 3.043 (>1.96) and a p-value of 0.002 (< 0.05). This finding indicates that the higher the level of work stress perceived by employees, the lower their resulting performance. Conversely, if the company is able to manage the sources of work stress effectively, employee performance will increase. In the context of PT Permodalan Nasional Madani (PNM) Regional Eastern Indonesia employees, this condition shows that excessive work pressure whether arising from workload, time constraints, or operational hurdles in the field can affect employees' ability to achieve targets, serve clients, and maintain the quality of their work

The research results indicate that organizational commitment has a positive and significant effect on employee performance. This is evidenced by a t-statistic value of 5.347 (>1.96) and a p-value of 0.000 (< 0.05). This finding indicates that the higher the level of commitment employees have toward the organization, the higher their resulting performance. Conversely, if organizational commitment decreases, employees' inclination to deliver their best contribution to the company will also decline. In the context of PT Permodalan Nasional Madani (PNM) Regional Eastern Indonesia employees, organizational commitment is a crucial factor because the nature of the work in the Mekaar Unit demands consistency, responsibility, loyalty, and the ability to maintain service quality for clients under various working conditions.

The research results indicate that work stress has a negative and significant effect on work engagement. This is evidenced by a t-statistic value of 4.139 (>1.96) and a p-value of 0.000 (< 0.05). This finding indicates that the higher the level of work stress experienced by employees, the lower their level of engagement toward their work. Conversely, if the level of work stress can be managed effectively, employee work engagement will increase. In the context of PT Permodalan Nasional Madani (PNM) Regional Eastern Indonesia employees, this result shows that unmanaged work pressure

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has the potential to reduce employees' enthusiasm, dedication, and focus in carrying out their daily duties, particularly in providing services to Mekaar Unit clients.

The research results indicate that organizational commitment has a positive and significant effect on work engagement. This is evidenced by a t-statistic value of 4.987 (>1.96) and a p-value of 0.000 (< 0.05). This finding indicates that the higher the level of commitment employees have toward the organization, the higher their level of engagement with their work. Conversely, if organizational commitment decreases, employee work engagement also tends to decline. In the context of PT Permodalan Nasional Madani (PNM) Regional Eastern Indonesia employees, this condition shows that a sense of belonging to the organization, loyalty, and the desire to remain part of the company are able to drive employees to work with higher enthusiasm, dedication, and involvement

The results of the study indicate that work engagement has a positive and significant effect on employee performance. This is evidenced by a t-statistic of 5.083 (≥1.96) and a p-value of 0.000 (<0.05). These findings indicate that the higher the level of employees' engagement with their work, the higher the performance they are likely to achieve. Conversely, when work engagement decreases, employee performance also tends to decline. In the context of employees at PT Permodalan Nasional Madani (PNM) in the Eastern Indonesia Regional Area, work engagement is an important factor because the nature of work in the Mekaar Unit requires a high level of enthusiasm, dedication, focus, and the ability to continue providing the best possible service to customers under various conditions

The results of the study indicate that work engagement is able to mediate the effect of work stress on employee performance. This is evidenced by a t-statistic of 3.285 (≥1.96) and a p-value of 0.001 (<0.05). These findings indicate that work stress not only directly affects employee performance but also influences employees' level of engagement with their work, which subsequently affects the performance they produce. In other words, when work stress increases, the level of work engagement tends to decrease, resulting in a decline in employee performance. Conversely, when work stress can be managed properly, work engagement can be maintained, allowing employee performance to be sustained or even improved

The results of the study indicate that work engagement is able to mediate the effect of organizational commitment on employee performance. This is evidenced by a t-statistic of 3.340 (≥1.96) and a p-value of 0.001 (<0.05). These findings indicate that organizational commitment not only has a direct effect on employee performance but also increases employees' engagement with their work, which ultimately contributes to improved performance. In other words, the higher the level of commitment employees

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have toward the organization, the higher their level of work engagement, resulting in more optimal employee performance

CONCLUSION

The findings of this study conclude that work stress has a negative and significant effect on employee performance and work engagement, while organizational commitment and work engagement have positive and significant effects on both employee performance and work engagement. Furthermore, work engagement significantly mediates the effects of both work stress and organizational commitment on employee performance. These findings indicate that effective stress management, strengthened organizational commitment, and improved work engagement are important factors in maintaining and enhancing employee performance

The recommendations of this study are directed toward PT Permodalan Nasional Madani (PNM) Regional Eastern Indonesia and future researchers. PNM is recommended to reduce hindrance stress by simplifying workflows, digitizing administrative processes, balancing workloads, and strengthening managerial check-ins; improve continuance commitment through clearer career paths, competency development, recognition, and competitive benefits; enhance absorption by clarifying work priorities, reducing repetitive tasks, and providing coaching and constructive feedback; and strengthen adaptive performance through training in problem-solving, change management, technology, cross-functional learning, and mentoring. For future research, researchers are encouraged to expand the study to other PNM regions or different sectors, incorporate additional variables such as leadership, organizational culture, motivation, job satisfaction, perceived organizational support, and work environment, and consider longitudinal or mixed-method approaches to provide broader and more comprehensive findings

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